



# Tennessee Housing JOURNAL

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## THDA & Mental Health and Developmental Disabilities Partner to Make Funds Go Further

The Tennessee Housing Development Agency (THDA) and the Department of Mental Health and Developmental Disabilities (DMHDD) have joined together to award \$4.5 million to agencies across the state for the housing needs of the mentally ill.

The announcement was made on Wednesday, February 21 at the War Memorial Building at a joint press conference with THDA Executive Director Janice Myrick and DMHDD Commissioner Elizabeth Rukeyser.

The grants are a result of the Creating Homes Initiative (CHI) and an innovative DMHDD initiative proposing to create 2005 new permanent housing options statewide for persons with mental illness by the year 2005.

"THDA has a long history of providing housing for persons with special needs," said Janice Myrick. "We have been doing this since the inception of our Agency in 1973." "DMHDD has just provided the Agency with another avenue to house a special group of Tennesseans that are in need," added Myrick.



*Executive Director Janice Myrick*

The partnering of THDA, DMHDD and local communities will make it possible to award grants in Memphis, Jackson, Chattanooga and Nashville.

THDA will be funding the housing needs of five agencies across Tennessee. The AIM Center Incorporated, providing homes for 9 consumers of mental illness, Foundations Associates, which will provide 32 consumers with safe, affordable permanent homes, Behavioral Health Initiative housing 34 consumers of mental health services, Park Center

offering 12 consumers a place to call home and Urban Housing Solutions, which will fund the renovation of 18 units of a 135 unit facility.

"It is our mission to be the Lead State agency promoting sound and affordable housing for people who need help," said Myrick. "It is important to the THDA Board Members and the Agency that the citizens of the state see that our mission is not just a statement but a commitment to continue solving Tennessee's housing problems."

## THDA Offers Homebuyers a Choice

The Tennessee Housing Development Agency (THDA) offers a choice of mortgage programs – Great Rate or Great Start.

On April 1, 2001, THDA brought back the "Great Start" program, which offers down payment and closing cost assistance.

Homeownership Choices – The homeowner now has a choice of Great

Rate or Great Start. Borrowers get an interest rate of 6.25% with Great Rate or choose Great Start at a slightly higher interest rate, receiving down payment and closing cost assistance.

The "Great Start" interest rate is 7.25%. THDA will provide assistance equal to 3% of the mortgage amount to use to pay down payment and

closing costs through the Great Start mortgage program. This allows families to keep their savings for other needs. Families choosing Great Start will be required to attend a homebuyer's education course.

"Even at 7.25% Great Start still offers a

*(Continued on page 6)*

# The Grants Forum at THDA

## The House the General Assembly Built

**A**ffordable housing production has been getting a helping hand.

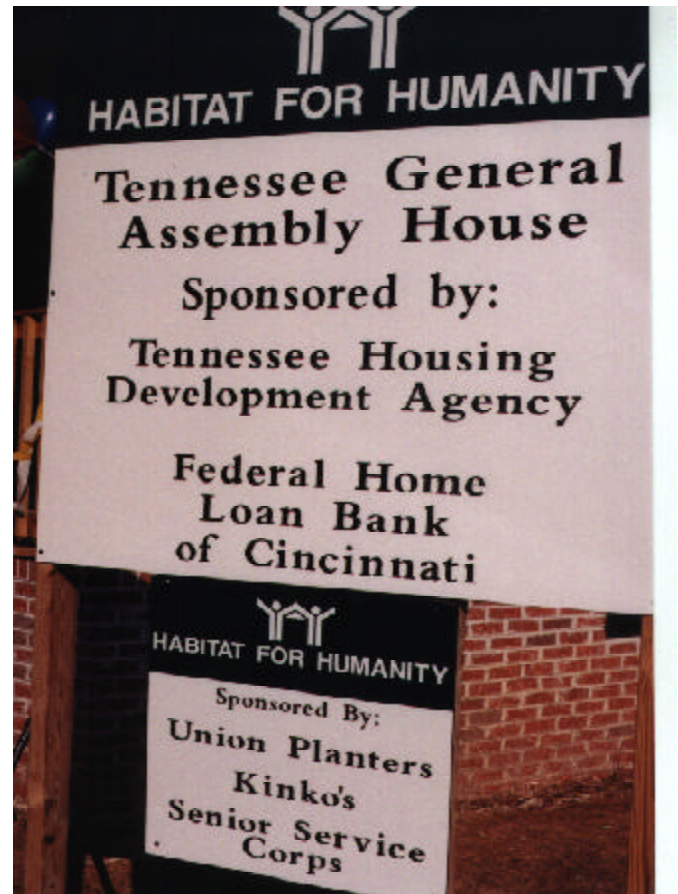
The 101<sup>st</sup> General Assembly and Habitat for Humanity joined together in a three-year project named "The House the General Assembly Built."

The plan is to build a home in each of Tennessee's 99 legislative districts, beginning with 33 in the first year. THDA has committed to providing \$660,000 to the building of the first 33 homes, with the approval from the Board to also fund the next two years.

Since June of last year, the partnership has completed 27 homes across Tennessee.

The second year is quickly approaching and the Habitat chapters across the state are gearing up for another successful year. It looks like the counties to receive the next 33 homes will be Bradley, Campbell, Cocke, Cumberland, Davidson, Dyer, Hamilton, Henry, Johnson, Knox, Maury, Montgomery, Obion, Rutherford, Shelby, Smith, Sullivan, Weakley, and Williamson.

"Communities are being built and pride is being restored due to the work that Habitat and the volunteers are doing in our state," said Janice Myrick Executive Director of THDA. "Through this partnership 99 families will achieve the dream of owning their own home. It is such a pleasure meeting the new homeowners and sharing their enthusiasm as they look forward to enjoying their new home."



"I feel, I can speak for all members of the General Assembly when I say, 'This is part of a great effort to provide the dream of affordable housing to Tennesseans, who might otherwise never own their own home,'" said Speaker of the House Jimmy Naifeh.

Over the past ten months members of the General Assembly have had a chance to assist in building homes, enlist volunteers and develop community awareness among the people in their districts.

The success of the program has and will continue to depend upon several partners,

*(continued on page 5)*



## IN THE SPOTLIGHT...

*Inside THDA's*



*Pictured above left to right (back row) Janet McClain, Don Harris, Director, Laura Swanson, Assistant Director, (middle row) Charmaine Duncan, Debbie Brown, Betty Warren, Kelly Sanders, (front row) Sheila White and Marge Dunn.*

# Section 8 Rental Assistance

One of the divisions within the Tennessee Housing Development Agency (THDA) is Section 8 Rental Assistance. This is one of the more unique divisions in that this division actually works closely with the people that they serve. It works in a social work environment, meeting with the recipients of Section 8 assistance at least once annually. Another thing that makes this division different is, while the main office is in Nashville, this division has nine field offices across the state – Cookeville, Covington, Erin, Knoxville, Lewisburg, Madison, Milan, Selmer and Tullahoma, which means that the people across the state can be better served.

Most people are under the impression that Section 8 Rental Assistance equates - “housing project.” That is simply not true anymore! Today’s Section 8 Assistance is based on a voucher system. With this voucher system THDA provides over 5,600s recipients with

a choice in their living environment in the counties.

This division successfully manages other programs such as the State of Tennessee Rental Assistance Program (STRAP), Family Self-Sufficiency (FSS) Program and the recently created Tenant Advisory Board.

THDA’s Section 8 Rental Assistance division has partnered with the Department of Mental Retardation to administer STRAP by conducting inspections of rural housing, across the state, occupied by developmentally disabled persons.

The FSS program, while still a rental assistance program, is designed to help those who want to work toward a better future

Recently the Section 8 Rental Assistance Division created a 15 member Tenant Advisory Board. This board represents all section 8 recipients across the state. The board met for the first time in Nashville to discuss tenant issues on March 31 and will continue to meet on a biannual basis.

For more information regarding the Section 8 Rental Assistance Division, please contact our Nashville office at 615-741-4980 or log onto our web site at [www.state.tn.us/thda](http://www.state.tn.us/thda).



# More About Family Self-Sufficiency (FSS)

Tennessee Housing Development Agency (THDA) provides a unique opportunity through the Family Self-Sufficiency (FSS) program for families to become free of government assistance. The FSS program is an employment and savings incentive program for families that have Section 8 vouchers. It consists of case management services that help participants pursue goals, including employment, as well as an escrow account into which THDA deposits the increased rental charges that a family pays as income rises. Families that complete the five-year program may withdraw these funds to purchase a home or otherwise use the funds as they wish.



*Resident Advisory Board, Section 8 Rental Assistance Staff and Executive Director Janice Myrick*

## Section 8 Tenant Advisory Board

THDA's Section 8 Rental Assistance division created its first Resident Advisory Board in the year 2001. The board is composed of participants in the Section 8 rental assistance from each grand division of the state (East, Middle, and West). The board provides the rental assistance division with comments and suggestions regarding how the program may better serve its participants. In particular, the board reviews the HUD-required Annual and Five-Year Plans, reviews Section 8 administrative procedures for feedback, and provides information to other tenants with the assistance of the Section 8 staff through a newsletter.

The board's first meeting was held on March 31st. The meeting was a great success with nine of the fifteen board members attending. The meeting allowed a unique opportunity for the THDA rental assistance staff to meet and discuss ideas with a few of the approximately 5,500 Section 8 participants. The board members represented a variety of different age, race, income, and interest groups. When asked what they appreciate most about Section 8 assistance, almost all of the board members expressed that the program has allowed them to overcome a hardship (financial, medical, family) and live independently.

We were able to discuss a variety of topics, including: utility allowances, income determination and rent increases, maximum rent burden (40% rule), merger of the Certificate and Voucher programs, marketing the program to prospective tenants and landlords, lack of services for working poor families, and homeownership vouchers.

The THDA rental assistance staff look forward to working with the Resident Advisory Board in the future to make THDA's Section 8 program a success for both participating tenants and landlords.

Since the inception of the Family Self-Sufficiency program at THDA in 1991, twenty-five participants have graduated. There have been graduates with as much as \$9000.00 in their escrow account. FSS participants are encouraged to purchase a home with their escrow but it is not required. At this time a small percentage of graduates have immediately purchased a home. This percentage is expected to increase in the future due to required Home Ownership Counseling and increased case management.

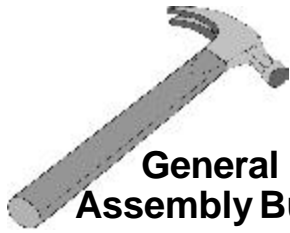
All FSS participants are required to be free of AFDC for one year prior to graduation. Our 25 graduates have met this criterion for completion of the program. Currently 155 Section 8 tenants are participating in the FSS program. There is reason to believe that the program is encouraging participants to go to work because of the high percentage of escrow accounts (83%). Escrow can only be accumulated by rental increases due to increases in earned income.

THDA's commitment to the FSS program has led to the addition of even more FSS slots available to Section 8 tenants statewide.

For more information regarding the FSS program contact Debbie Brown at 615-741-4980.



# The Grants Forum at THDA



## General Assembly Built

(Continued from page 2)

THDA's providing \$20,000 per home, Habitat chapters statewide providing funds and volunteer builders, Union Planters applying for the \$10,000 funding per home under the Affordable Housing Program from the Federal Home Loan Bank of Cincinnati and Habitat MidAmerica's Regional office continuing to coordinate special events and grant documentation.



*Pictured from left to right: (back row) Sen. Ward Crutchfield, Kathy Strickland, Rep. Bobby Wood, Jonathan Shatz, Director of Family Services Habitat for Humanity, Michelle Shaffer Legislative Coordinator, (front row) Angela Galloway, home recipient, Janice Myrick Executive Director THDA, Sherry Black CNS Rep.*

## If you were robbed, you'd report it...

### But most victims of housing discrimination don't.

Why? Because today housing discrimination is subtle and sophisticated, which makes it hard to detect. Know your housing rights. According to the federal Fair Housing Act. It is illegal to consider race, color, religion, national origin, sex, disability or family status rental, sales, lending or homeowner's insurance decisions.

**Don't let them rob you of your  
civil rights.**

### FAIR HOUSING IS THE LAW!



The only way to stop discrimination is to fight it. If you suspect unfair housing practices, contact HUD or your local Fair Housing Center.

U. S. Department of Housing and Urban Development - 1-800-669-9777 - TDD 1-800-927-9275

## Dear THDA:

A long-time dream of mine was to raise my children in a nice home. Through prayer and determination and with the help of Habitat for Humanity, my dream has become a reality.

As a Habitat homeowner, I have had the opportunity to invest in the building of my home. I have learned about construction, about working together, and accomplishing a goal through my experience.

I am very thankful to the sponsors, volunteers, Habitat homeowners, friends, family, and Habitat staff that have spent many hours on the construction of my home. These very special individuals understand how important it is to have a nice and stable place to raise my children. The volunteers of Habitat truly care and because of that my home is even more special and full of memories. I know that my home will bring enjoyment to my family as well as to the many friends and extended family that will pass through.

I'm very proud to say that I am a Habitat homeowner. My family and I look forward to enjoying many years in our new Habitat home.

Sincerely,

Kathy Strickland & Family



# Great Start

(Continued from page 1)

competitive interest rate, said Executive Director Janice Myrick. "With the Great Start program, THDA will be able to reach out to more Tennesseans," she said. "We are proud of the progress we are making."

"Most people want to be homeowners," added Myrick. "With affordable interest rates, Tennessee will be a state of homeowners and that offers greater family security and frequently encourages a greater community involvement."

All Great Start mortgages will be insured by FHA, the Federal Housing Administration. Great Rate mortgages can be insured or guaranteed by FHA, the Veterans Administration, Rural Development, or private mortgage insurance.

Families interested in a THDA mortgage should contact

their lender. THDA makes mortgages through local financial institutions.

THDA recently raised the acquisition and income limits for Homeownership Choices. These limits are higher to encourage homebuilders to increase the number of affordable homes available, and to support families who need a larger house than they could have purchased under the old limits.

"Builders have the assurance of the THDA Board of Directors that we will have adequate financing available for their buyers when inventory is ready for purchase," said H. David Hayes, an experienced homebuilder, and Chairman of the Board of THDA.

"A THDA mortgage can make the difference between affordable mortgage payments and the insecurity of monthly rental payments."

For more information regarding THDA programs contact our Nashville office at 615-741-2400 or log onto our web site at [www.state.tn.us/thda](http://www.state.tn.us/thda).

## NOTICE

Would you be willing to look on the internet for your copy of the Journal? Log onto our web page: [www.state.tn.us/thda](http://www.state.tn.us/thda) under publications to answer this question.



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H. David Hayes, Chairman  
Janice L. Myrick, Executive Director  
Toni S. Harris, Editor

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